

Message Text

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70

ACTION ARA-10

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INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

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DHA-02 /087 W

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P R 192057Z DEC 75

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC PRIORITY 2496

INFO AMEMBASSY CARACAS

AMEMBASSY MOSCOW

AMEMBASSY QUITO

AMCONSUL MEDELLIN

AMCONSUL CALI

C O N F I D E N T I A L BOGOTA 12222

EO: 11652: GDS

TAGS: PINT PINS PFOR CO UR EC

SUBJ: THE WEEK IN COLOMBIA

1. SUMMARY. PRESIDENT LOPEZ, IN HIS ADDRESS AT THE CLOSING OF THE CONGRESS PRAISED THAT BODY FOR AN UNUSUALLY PRODUCTIVE SESSION. EARLIER, THE PRESIDENT'S LIBERAL PARTY COLLEAGUES DEMONSTRATED ANEW, AT AN ABORTIVE PARTY CONVENTION, THEIR PROPENSITIES FOR FACTIONALISM AND DIVISIVE INFIGHTING. THE GOC PREPARED TO IMPLEMENT ITS CONTROVERSIAL BANK "COLOMBIANIZATION" BILL AND FORECAST DIMINISHING INFLATION IN THE YEARS AHEAD. THE GOC SIGNED A BILATERAL TRADE AGREEMENT WITH THE SOVIET UNION. THE ADMINISTRATION LOOKED TO AN EARLY LIFTING OF THE STATE OF SIEGE AND ASKED A GROUP OF ECUADORINA DISSIDENTS TO REMOVE THEIR ANTI-GOE ACTIVITIES FROM COLOMBIA. END SUMMARY.

2. PRESIDENT ADDRESSES CONGRESS IN CLOSING SESSION. PRESIDENT LOPEZ CLOSED THE 1975 ORDINARY SESSION OF CONGRESS DECEMBER 16. HE PRAISED THE CONGRESS FOR ITS LABORS AND FLOATED A TRIAL BAL-
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LOON FOR THEM TO CONSIDER - POSSIBLY WHEN THE CONGRESS MEETS

NEXT JULY 20 - THE ELIMINATION OF THE DEPARTMENTAL ASSEMBLIES (BOGOTA 12133). ON DECEMBER 18, THE PRESIDENT SIGNED INTO LAW FOUR OF THE BILLS HE PRAISED THE CONGRESS FOR PASSING - A PRESS LAW, GIVING NEWSPAPER REPORTERS PROFESSIONAL STATUS, A TAX RELIEF LAW, A CONSTITUTIONAL EMENDMENT GIVING 18-YEAR OLDS THE RIGHT TO VOTE, AND A LAW PROVIDING FOR THE PAYMENT TO WORKERS OF ANNUAL INTEREST ON ACCUMULATED SEVERANCE PAY. HE ALSO ANNOUNCED THAT HE WOULD SIGN THE BANK COLOMBIANIZATION LAW IN A SPECIAL CEREMONY DECEMBER 19.

3. LIBERAL PARTY LEADERSHIP CONVENES, FEUDS, ADJOURNS. THE LIBERAL PARTY CONVENTION OPENED ON DECEMBER 12, MORE THAN SIX HOURS LATE, PASSED A SERIES OF RESOLUTION, ONE ATTACKING FORMER PRESIDENT LLERAS FOR HIS DISSIDENCE, THEN DETERIORATED INTO BICKERING PRINCIPALLY AMONG TURBAYISTAS OVER THE SELECTION OF A THIRD MEMBER OF THE NEW THREE-MEMBER LIBERAL PARTY DIRECTORATE (DNL). AMBASSADOR TO THE UNITED STATES JULIO CESAR TURBAY'S ALLEGED PARTY MACHINERY SIMPLY DID NOT FUNCTION. THE PARTY WILL TRY AGAIN JANUARY 16, 1976 (BOGOTA 12027).

4. BANK BILL PASSES. THE BANK COLOMBIANIZATION BILL PASSED THIS WEEK (BOGOTA 12082). THE BILL, AS PASSED, CONTAINS MOST OF THE FEATURES OF THE ADMINISTRATION'S PROPOSAL, INCLUDING PROHIBITION OF ADDITIONAL FOREIGN INVESTMENT IN BANKS, INSURANCE COMPANIES, AND OTHER FINANCIAL INTERMEDIARIES, AND THE REQUIREMENT THAT EXISTING FOREIGN BANKS MUST CONVERT THEIR BRANCHES INTO COLOMBIAN CORPORATIONS AND SELL 51 PERCENT OF THEIR EQUITY TO COLOMBIAN NATIONALS OR CEASE OPERATIONS BY DECEMBER 31, 1976.

5. INFLATION FORECAST. MINISTER OF FINANCE RODRIGO BOTERO HAS SET INFLATION TARGETS FOR NEXT THREE YEARS OF 15, 10 AND 8 PERCENT OR LESS. WITH GOOD AGRICULTURAL CROPS AND THE ESTABLISHMENT OF CONTROL OVER RESERVE GROWTH, THESE TARGETS ARE REALISTIC. THIS YEAR'S TARGET OF 20 PERCENT INFLATION WILL BE HIT WITH ABOUT A PERCENTAGE POINT TO SPARE.

6. BILATERAL TRADE CONVENTION WITH SOVIET UNION. DEVELOPMENT MINISTER JORGE RAMIREZ INFORMED THE PRESS IN AN INTERVIEW IN MOSCOW THAT COLOMBIAN HAD SIGNED A BILATERAL TRADE CONVENTION WITH THE SOVIET UNION. THE CONVENTION COVERS SCIENTIFIC AND TECHNOLOGICAL EXCHANGES AS WELL AS TRADE AND ECONOMICS. RAMIREZ SAID THAT THE SOVIET UNION POSSESSED ADVANCED TECHNOLOGY FOR THE EXPLOITATION OF DEEP HEAVY CRUDE OIL WHICH WOULD BE APPROPRIATE FOR COLOMBIAN RESERVE CONDITIONS. ALSO MENTIONED WERE POSSIBILITIES OF SOVIET PARTICIPATION IN THE DEVELOPMENT OF COAL AND PETROCHEMICAL INDUSTRIES. COLOMBIA HAS SIGNED SIMILAR CONVENTIONS WITH MOST OF THE EASTERN BLOC COUNTRIES AND THERE HAS BEEN SIMILAR TALK ABOUT PARTICIPATION IN PETROLEUM, COAL AND PETROCHEMICAL DEVELOP-

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MENTS BUT NOTHING OF SUBSTANCE HAS YET DEVELOPED.

7. SECURITY. AT THE CLOSING OF THE CONGRESS, PRESIDENT LOPEZ SAID THAT HE WANTED ELECTIONS IN APRIL TO BE HELD WITHOUT A STATE OF SIEGE AND THAT HE WOULD MAKE AN ANNOUNCEMENT ABOUT LIFTING THE STATE OF SIEGE WITHIN "THE NEXT FEW DAYS". LOPEZ IS TO MEET WITH THE COUNCIL OF MINISTERS DECEMBER 19 TO FORMULATE PLANS FOR THE SIEGE LIFTING. MANY OBJECTIVES OF THE STATE OF SIEGE HAVE BEEN MET, INCLUDING REDUCTION IN THE NUMBER OF KIDNAPPINGS, HOLDING DOWN CIVIL DISORDERS, AND CUTTING BACK STREET CRIME. HOWEVER, THERE ARE SIGNS THAT THE TIMING AND DEGREE OF TERMINATION WILL BE DIFFICULT DECISIONS FOR THE GOVERNMENT. THE SECRETARY OF THE MUNICIPAL GOVERNMENT OF MEDELLIN PUBLICLY DECLARED YESTERDAY THAT CONDITIONS DO NOT YET PERMIT HIS CITY TO LIVE WITHOUT THE STATE OF SIEGE. MEANWHILE, CIVIL DISORDERS OVER POOR PUBLIC SERVICES ERUPTED IN TWO SMALL NORTHERN TOWNS. THE MINISTER OF EDUCATION ANNOUNCED A FREEZE ON TEACHER HIRINGS WHICH COULD CREATE PROBLEMS WITH THE LEFTIST TEACHERS' UNIONS. FINALLY, SEVEN MEN NOW BEING TRIED FOR THE ASSASSINATION OF GENERAL RINCON (BOGOTA 9868) IN A MILITARY COURT MARTIAL, WOULD, IF THE STATE OF SIEGE WERE LIFTED BEFORE A VERDICT WERE REACHED, BE TRANSFERRED TO THE JURISDICTION OF THE CIVIL COURTS FOR TRIAL. THE MILITARY, WHICH APPARENTLY BELIEVES IT HAS THE REAL CULPRITS, WOULD NOT BE PLEASED WITH SUCH AN EVENT.

8. ECUADORIAN EXILES LEAVE COLOMBIA. THIRTY MEMBERS OF THE ECUADORIAN ANTI-RODRIGUEZ EXILE GROUP CALLED THE "JUNTA CIVICA" WERE ASKED TO LEAVE COLOMBIA (BOGOTA 12065). THE EXILES, LED BY FORMER ECUADORIAN PRESIDENT AROSEMENA, WERE CITED FOR ACTIVITIES AGAINST THE GOVERNMENT OF ECUADOR, WITH WHICH COLBIAN ENJOYS GOOD RELATIONS. SPOKESMEN FOR THE JUNTA CIVICA ADMITTED TO HAVING FORMULATED A PLAN FOR A COUP AND THE CLAIMED TO HAVE SUPPORT OF ELEMENTS OF THE MILITARY NOW IN ECUADOR. AROSEMENA NEARLY MISSED
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THE FLIGHT, REPORTEDLY BECAUSE OF DIFFICULTY WITH PERSONAL NAVIGATION.

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